



689
Department of State

EXCISE

TELETYPE

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ACTION EUR-26

INFO OCT-01 AF-10 EA-11 ISO-00 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 IO-13 NEA-10 NSAE-00

RSC-01 OPIC-12 SPC-03 TRSE-00 CIEP-02 LAB-06 SIL-01

OMB-01 SCEM-02 INT-08 DODE-00 PM-07 H-03 L-03 NSC-10

PA-03 PRS-01 SS-15 USIA-15 ACDA-19 DRC-01 /228 W

074097

R 121744Z SEP 73

FM USMISSION OECD PARIS

TO SECSTATE WASHDC 604

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

USMISSION EC BRUSSELS

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY *g*

DATE 12/20/82

RDSE ☐ or XDS ☐ EXT. DATE

TS AUTH. REASON(S)

ENDORSE EXISTING MARKINGS ☒

DECLASSIFIED ☐ RELEASABLE ☐

RELEASE DENIED ☒ IN PART

PA or FOI EXEMPTIONS *B1, A9*

C O N F I D E N T I A L OECD PARIS 24110

E.O. 11652 GDS

TAGS: ENRG, UK, LY, OECD

SUBJ: *[REDACTED]* VIEWS ON LIBYAN SITUATION

1. SUMMARY:

[REDACTED] MET WITH BENINSKY (CFSE), EBEL (INTERIOR), TARRANT (EUR/RPE) AND ENERGY ATTACHE, AT HIS INITIATIVE, TO TELL THEM OF HIS BRIEFINGS OF EC COMMISSION AND BRITISH, DUTCH, FRENCH, AND GERMAN GOVERNMENTS ON LIBYAN SITUATION.

[REDACTED] (THE PROTECT SOURCE) EXPRESSED HOPE *[REDACTED]* WOULD EVENTUALLY REESTABLISH IN LIBYA IN MANNER FRENCH HAD IN ALGERIA *[REDACTED]*

[REDACTED] WHO THOUGHT THIS WOULD

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HE MAY KEEP VARIOUS GOVERNMENT OFFICIALS WELL INFORMED
ON TIMELY BASIS. [REDACTED] HAD PROPOSED [REDACTED]
[REDACTED] HE AND [REDACTED] BRIEF OECD HIGH-LEVEL GROUP.
END SUMMARY

2. [REDACTED] STRESSED FOLLOWING THEMES [REDACTED] B11, A9
AMONG THOSE HE USED WITH ABOVE MENTIONED GOVERNMENTS:
A) MODERATE LEADERS IN OIL EXPORTING STATES, NOT
RADICALS SUCH AS QUADDAFI, MUST SET PACE OF NEGOTIATIONS
WITH OIL COMPANIES OR ELSE HOPES FOR MAINTAINING A
PATTERN OF STABILITY WILL BE LOST. RADICAL STATES MUST
NOT BE REWARDED FOR THEIR ACTION.
B) ESSENTIAL QUESTION IS NOT MATTER OF COMPENSATION
BUT RATHER WHO WILL LEAD NEXT ROUND OF NEGOTIATIONS ON
TAX BASE, INFLATION FACTOR, ETC.
C) NO ASSISTANCE SHOULD BE GIVEN LIBYANS IN OPERA-
TING EXPROPRIATED OIL FIELDS.
D) CONSUMER GOVERNMENT ASSISTANCE IS NEEDED IN
DEALING WITH HOT OIL (COMPLETE EMBARGO OR BOYCOTT DIS-
MISSED [REDACTED] AS TOTALLY IMPRACTICABLE).
E) CONSUMER GOVERNMENT ASSISTANCE IS NEEDED IN
MODERATING PRICES PAID BY "INDEPENDENTS" (NEW TO MARKET
BUYERS) TO PRODUCERS. B11, AD9

3. [REDACTED] SAID IN HIS DISCUSSIONS OF HOT OIL HE HAD
PUSHED FOR INITIATION OF IMPORT LICENSING SYSTEM WHICH
MIGHT REQUIRE PROOF OF ORIGIN OF IMPORTED CRUDE. NO
GOVERNMENT OFFICIAL BRIEFED HAD AGREED TO PROCEED WITH
THIS APPROACH; ALTHOUGH HMG APPEARED SYMPATHETIC, IT
WAS NOT PREPARED TO PROCEED UNILATERALLY. [REDACTED] B11, AD9
BELEIVED COMPANIES HAD TO LEGALLY PURSUE HOT OIL, BUT
HE WAS NOT SANGUINE ABOUT PROSPECTS FOR SUCCESS IN FACE
OF IDENTIFICATION PROBLEM AND INABILITY TO CONTROL
ACTIONS OF "INDEPENDENTS" AND OTHER BUYERS IN SELLERS'
MARKET WHICH LIKELY TO CONTINUE FOR EXTENDED PERIOD.

4. [REDACTED] ACKNOWLEDGED IT WAS NOT FEASIBLE TO
EXPECT GOVERNMENTS TO CONTROL PRICES PAID FOR CRUDE
BY "INDEPENDENTS" WHEN MAJORS ARE UNWILLING VOLUNTARILY
TO UNDERTAKE COMMITMENTS TO KEEP "INDEPENDENTS" SUPPLIED
AT LEVEL OF A HISTORICAL BASE PERIOD. [REDACTED] CONCLUDED B11, AD9
B7, AS9

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THAT IMPORT PRICE CONTROL SCHEME WAS ONLY LIKELY SOLUTION IN THIS REGARD.

5. [REDACTED] EXPRESSED HOPE THAT AFTER SEVERAL MONTHS OR A YEAR, IT MIGHT BE POSSIBLE FOR MAJORS TO RETURN AND RUN LIBYAN OPERATIONS ON DIFFERENT BASIS AS FRENCH DID IN ALGERIA. [REDACTED] NOT INTERESTED IN BEING COMPENSATED AND THUS THROUGH AS A POSSIBLE OPERATOR IN LIBYA. MEANWHILE, OTHERS SHOULD NOT COME IN AND RUN EXPROPRIATED FIELDS FOR LIBYANS. [REDACTED] MADE CLEAR THAT THIS FUTURE POSSIBILITY OF MAJORS REENTRY SHOULD NOT AFFECT COMPANY OR GOVERNMENT ACTIONS IN PURSUING LIBYAN HOT OIL, IN INTERVENING PERIOD.
ROGERS

5/1/59
B4A9
BA, B5

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